

## **FISCAL NOTE**

### **SB 1585 – HB 2070**

March 13, 2007

**SUMMARY OF BILL:** Permits a nonresident elementary or secondary student to attend school where the parent teaches with no tuition charge, even if the parent is not a resident of Tennessee, on a space availability basis.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$331,000 FY08-09**

**Increase Local Govt. Expenditures\* - \$747,000/FY07-08  
\$416,000/FY08-09**

Assumptions:

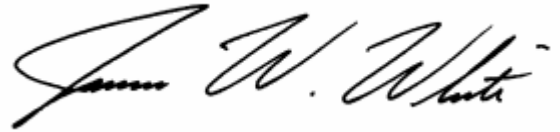
- According to the Department of Education, in FY2005-06 there were 1,512 nonresident teachers teaching in Tennessee schools.
- Since nonresident students are not included in the Average Daily Membership (ADM) for the BEP formula, for each such student enrolled in a Tennessee school, the LEA would have an additional expense in the first year of \$7,469 which is the average statewide per pupil expenditure.
- In the second year and each year thereafter, the average per pupil expenditure of \$7,469 would be shared between the state and local government. The state share would be \$3,305 with local governments paying the rest. Since this is an average cost per pupil, the local share would be a different amount based on the specific LEA affected.
- The bill does not allow for the BEP to generate additional teaching positions or classrooms, and no tuition income may be collected to offset this expense. Classrooms would have to remain within the mandated class size.
- The cost to state and local governments would depend on the number of nonresident teachers who enroll their children in a Tennessee school system, the number of nonresident children and

which school system(s) these children attend. The number of nonresident students enrolled in a Tennessee school system is currently unknown. However, if 100 nonresident students enroll in a Tennessee school system and pay no tuition, state and local government expenditures could increase approximately \$747,000.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director